

***Village of Indian Head Park
201 Acacia Drive
Indian Head Park, IL 60525***

**MEETING MINUTES
BOARD OF TRUSTEES**

“Pursuant to 5 ILCS 120/2.06 (3) minutes of public meetings shall include, but need not be limited to: a general description of all matters proposed, discussed, or decided, and a record of votes taken.”

***TOWN HALL MEETING
Thursday, July 15, 2010***

7:30 P.M.

★ CALL TO ORDER - MAYOR RICHARD ANDREWS

The special town hall meeting of the Village of Indian Head Park Board of Trustees was held on Thursday, July 15, 2010 at the Municipal Facility, 201 Acacia Drive, and was called to order at 7:30 p.m. by Mayor Richard Andrews. Village Clerk Joseph Consolo called the roll as follows:

★ ROLL CALL: JOSEPH CONSOLO, VILLAGE CLERK

PRESENT (AND CONSTITUTING A QUORUM):

Mayor Richard Andrews
Trustee Debbie Anselmo
Trustee Brian T. Bailey
Trustee Anne Bermier
Trustee Carol Coleman
Trustee Norman L. Schnauffer
Trustee Matthew P. Walsh II

ALSO PRESENT:

Dave Brink, Finance/Administrative Services
Joseph V. Consolo, Village Clerk
Brian Baugh, Counsel, Storino, Ramello & Durkin

NOT PRESENT:

Frank Alonzo, Chief of Police/Administration

★ PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Richard Andrews and the Board of Trustees led the audience in reciting the Pledge of Allegiance to the Flag. *“I Pledge Allegiance to the Flag of the United States of America and to the republic for which it stands, one nation under God indivisible with liberty and justice for all”.*

★ TOWN HALL MEETING

Mayor Andrews thanked everyone for taking time to attend the meeting this evening. Mayor Andrews stated that a portion of the Village was without power this morning due to a reduced power phase cycle by Commonwealth Edison. He noted that when the power was restored, one of the air-conditioning units to cool the Board Room was not working properly so hopefully it will be cool enough in the Board Room for the meeting. Mayor Andrews stated that if residents are approached by U.S. Census representatives please cooperate so each resident is counted which is important for tax dollars and revenue stream to come back to Indian Head Park based on population. Mayor Andrews added there are several volunteer docents from the Heritage Center present this evening and he publicly thanked them for their work at the Heritage Center Library. Mayor Andrews stated that he spoke with resident Phil Carlson today. He extended congratulations to the Carlson family on the graduation of their son Dave Carlson who graduated from West Point and has been commissioned as a Second Lieutenant in the Army. Dave will be finishing up his sixty days of leave and then he will report for additional training and on to Fort Lewis in Washington for his active duty assignment. Mayor Andrews stated Dave Carlson's achievement is an honor to his family and to the community.

Mayor Andrews stated that he has been Mayor of the Village for three years and at this point there are increasing concerns about the financial situation of Indian Head Park. He pointed out that the wolf is not at the door, the Village is not bankrupt and the Village has operated a very lean operation for many years. He noted the Board has tried to work within the money coming in but in a falling economy, the funds coming into the Village are not enough to cover all expenses. Mayor Andrews stated the purpose of the meeting is to discuss rising costs, decreased revenues and to brief the residents on all of the challenges facing the Board with the downturn of the economy and the potential ramifications of those actions that may be taken by the State to address their budget problems. He noted that the State is considering raising State income taxes otherwise they will consider reducing the portion of State shared revenue back to the Villages by 3 points. Mayor Andrews stated that the State calculates all income tax revenues collected, they divide that amount based on the total number of people in the State of Illinois and the amount allocated back to communities is based on the number of people in the Village at a per capita rate. He added that the State is proposing reducing the 10% share of income tax collected to 7% (a 30% reduction coming back to the Village). He further stated that approximately \$23.00 per person with a population of about 4,000 is the amount of revenue that would be lost from the State so the Board needs to be prepared for that shortfall in revenue.

Mayor Andrews stated that Springfield can act in a day to solve their budget issues but because Indian Head Park is not a home rule community the Village is limited on what can be done to meet revenue shortfalls. He noted that it is important for a Town Hall meeting to be held to plan and discuss as a Village how to address budget issues. Mayor Andrews stated that according to the Village Engineer Ashbrook streets and Arrowhead Trail are the top streets on the list that need repaving but there are no funds available in the budget. He noted that financial charts were distributed to the audience this evening and the focus of the meeting will be to discuss budget shortfalls, Village-wide needs and revenue enhancements. Mayor Andrews stated that he hopes to explain to residents where we are, how we got here and what the Board needs to consider to address budget issues.

Mayor Andrews stated he will make a suggestion to the Board and propose to place a referendum question on the November ballot asking residents to support home rule authority for Indian Head Park. He noted that the Village needs to make a collective decision on this matter because it is not just a Board matter. Mayor Andrews stated that he plans to discuss the current budget, attempts to raise revenue, possible solutions and recommendations. He noted that recommendations include asking for possibly a property tax increase or an alternative to ask residents to authorize a home rule authority for Indian Head Park. Mayor Andrews stated that he favors the home rule option because there are many more options available to a Village to seek revenues from other sources other than raising taxes. He added that the Board is interested in presenting recommendations and to receive suggestions and input from the community.

Mayor Andrews stated that the current budget just passed for 2010/2011 has a deficit of \$125,000. Last year, the planned budget deficit was about \$12,000 and money was saved in other budget categories. He noted the previous year the budget deficit was \$68,000 due to litigation expenses from a zoning matter, legal expenses to negotiate a police union contract and also a 500% increase in the cost of road salt that particular budget year which resulted in an increase of \$15.00 more for vehicle stickers. He noted that there is a sense of frustration by the entire Board with the decreased revenues due to the economic situation and the Board appreciates the support of the Board by the community. Mayor Andrews stated that the Board makes its decisions so there is equal balance, it is a constant challenge to balance a budget each year with deficits and the Village is in much better shape than most municipalities and in better shape than the State. Mayor Andrews stated that the Village has been streamlined for several years but there is no more fat to cut and to live within the budget and means that the lean may need to be cut. Mayor Andrews stated that the Board is aware that streets need to be paved and the Heritage Center needs painting but some structural repairs needed to be done first. There are no funds this year in the budget for painting. He noted that it is important to a Village to have its own police department and one thing that attracts someone to a community is the fact that a small community like Indian Head Park has its own police force. Mayor Andrews stated that people in LaGrange Highlands and other unincorporated areas of Lyons Township rely on Indian Head Park for police services for part of the time and the rest of the time those areas are served by the Cook County Sheriff's Department.

Mayor Andrews stated that the current budget does not have a leaf pick-up program this fall and the Village does not have plans to pick up leaves because there is no money in the budget to provide the program due to decreased revenues. He noted that the Board has not decided if the program will be continued at some point in the future. Mayor Andrews stated that notwithstanding the discussion by the State to cut the Village's distributive share of income tax revenue several other factors have affected revenues: (1) the economy has slowed because people are out of work and they are not spending money; (2) when housing values increased, EAV increased and the Village benefitted by that because taxes were paid on houses that were worth more. The Village receives a portion of those taxes collected by the County; (3) the voters supported and approved a 1% sales tax increase on a referendum previously that helped the Village because it had to put the question on the ballot for a vote as a non-home rule community; (4) since the economy has slowed, many people are cutting back and not spending as much so revenues from sales tax are reduced despite other costs that have been going up; (5) over the years expenses have increased while real estate tax revenues and sales tax revenues have remained even over several years; (6) a non-home rule Village has a limited ability to raise revenue from other sources and there are tax caps that limit money that can be collected by a Village from some sources; (7) the tax rate for EAV for the corporate fund are not set at the maximum allowable level according to Treasurer Busa. Even as a non-home rule community that would have authority to tax property at a higher level, the Village is under the tax caps based on the Consumer Price Index each year; (8) it has been about fifteen (15) years or more since the property taxes were raised in Indian Head Park. He noted that some residents may say their taxes have gone up over the last fifteen years. Mayor Andrews asked residents to review their tax bills and taxing agencies because only a small fraction of the taxes collected come back to Indian Head Park for the local portion on the bill; (9) he asked residents how a household could manage their finances based on income levels from fifteen (15) years ago so that is what the Village is dealing with at this point; (10) there is no one issue that is affecting the budget deficit but a combination of a reduction in revenues from various sources and; (11) a property tax increase is a last resort if there are no other options to increase revenues. He noted that Indian Head Park is a bedroom type community that does not have big business in town, there is no shopping mall like the Quarry in Hodgkins, there are a few businesses that the Village tries to help promote and encourage and the Village is fortunate to have Walgreens in the community.

Mayor Andrews summarized the following budget items: (1) rather than purchasing a new van for Public Works which is needed possibly a used vehicle may be rented or leased. \$10,000 was included in the budget for those purposes; (2) two new police cars are needed to replace cars with an excess of 100,000 miles. One police car is budgeted at a cost of about \$30,000; (3) money needs to be set aside for legal expenses for a new police union contract to be negotiated which expires next spring; (4) the Wilshire Green Retention Pond is in need of attention. \$20,000 is budgeted for that maintenance item; (5) \$12,000 for televising of the sanitary sewer systems was needed but only \$3,000 was budgeted for emergency televising of sanitary sewers, if needed. (5) the watermain on Cochise Drive needs to be replaced.

The State anticipates available funding from their capital program last year to pay for that project. However, the Village has not yet received the funds from the State; (6) maintenance of the water system, flushing valves and other maintenance checks that would cost about \$20,000 is not in the budget. Funds will be spent only if needed to keep things in working order; (7) sewer system repairs of \$20,000 are not in the budget. The sewer system maintenance amount was reduced to \$10,000; (8) there is no leaf pick-up program this budget year. The savings is about \$30,000 to \$40,000; (9) employees were not given a pay raise this year; (10) the Village is trying to watch every purchase and expenditure and approval is needed by the Village Administrator for every purchase that is over \$100.00; (11) a budget was approved with a \$125,000 deficit at the last meeting and there are no intentions to spend every dollar budgeted but at the end of the fiscal year there will still be a deficit; (12) three years ago there was money in the budget to replace old computers but that money was never spent because something else came up and those dollars needed to be used for other purposes; (13) the Board authorizes spending for items that are necessary and other items that are needed are deferred year after year. He added that chairs in the Board Room are the original chairs from when the building was built in the 1980's which need to be replaced; (14) there are concerns that the State will reduce the share of tax to the local municipalities that will impact the Village's budget. The Governor has also suggested increasing the income tax by 5% and allowing Village's to keep their 10% share. By keeping the Village's share of 10% that would increase the Village's revenue by about \$150,00 to \$180,000 on a per capita basis; (15) if the economy picks up over time there would be more money coming back to Indian Head Park, if property values increased the EAV would increase and the Village would benefit and; (16) a few years ago the Village consolidated its dispatch services with Southwest Central Dispatch and that has helped save the Village about \$190,000 on costs for salaries, benefits and updating to modern dispatching equipment and; (17) The Village had to cap a well at the south entrance of Acacia as mandated by the Illinois Environmental Protection Agency. The Village hoped to receive money from the Illinois Capital Funding Program but those funds were not received. The Village had to spend \$30,000 to cap that well to comply with E.P.A. requirements.

Mayor Andrews pointed out that the Village is fortunate to have Frank Alonzo serving as Chief of Police as well as Village Administrator in a part-time dual position. He added Chief Alonzo has been in law enforcement for thirty-one (31) years, he is a former Chief of Police for Hillside, he does not receive benefits, the Village is fortunate to have him serving on staff and two full-time salaries have been saved. Mayor Andrews stated that the Village hopes to receive \$165,000 from the Township of Lyons to upgrade Blackhawk Park from the Township Park Bond Referendum from a few years ago. That amount needs to be allocated for that specific purpose for Blackhawk Park. He noted that three projects were submitted and one plan was approved for Township funding.

Mayor Andrews stated that for a number of years discussions have taken place about the possibility of the annexation of Edgewood Valley Country Club. He noted that at this time there is no plan for that to happen.

Mayor Andrews stated that the Village also explored the opportunity of a billboard at 70th Place along the Interstate corridor to derive revenue from outdoor advertising. Mayor Andrews stated a previous public hearing was held to possibly amend the current sign code to provide regulations for outdoor advertising. Many other ideas to raise revenue as a non-home rule community were considered before going to the community. Mayor Andrews stated that at the end of 2009, the Village refinanced the 2001 and 2003 corporate debt certificates to reduce the rate. He noted that debt certificates have lower payments in the beginning with balloon payments at the end of the term when the rate starts to climb. Mayor Andrews stated that the debt certificates were refinanced because rates are down and in the year 2011 there would have been a huge increase in the payments. He noted that when the certificates were refinanced, the old loan was paid and new money borrowed at a lower rate with an additional \$100,000 that was borrowed with lower payments for the next couple of years. Mayor Andrews stated that the additional money borrowed was used to repave the Municipal Facility parking lot that was needed due to several major cracks and deterioration that was becoming a safety issue and \$30,000 was used to cap the well required by the E.P.A.

Mayor Andrews stated that the Village needs to plan for future expenses that need to be budgeted. He noted that in 2002 there was an increase in revenue of about 1.2 million dollars in grant money. Those funds were earmarked for specific purposes as defined by terms of the grants. In the year 2003 property tax revenue increased slightly and State shared revenues (the Village's portion of income tax, Motor Fuel Tax funds and local sales tax -- based on distribution by per capita) went down. In 2004 property tax revenue and State shared revenue increased slightly. In the year 2009 the Village collected \$926,304 in property taxes, State shared revenue was \$471, 838 and total Village expenses were \$3,565,000. He noted that the property tax to expense ratio is 25.98%, the State shared revenue to expense ratio is 13.24% and the combined to expense ratio for that year was 39.22%. Mayor Andrews stated that he was amazed to learn how the numbers work and wondered how a Village could run a 3.5 million dollar operation when the Village does not even collect a million dollars in property taxes. He noted that revenues come from other sources such as building permits, licensing fees, vehicle stickers and other sources that help to cover that gap but there is still a deficit. Mayor Andrews stated that studies have indicated that non-home rule communities derive about 25% to 30% of their revenue from property taxes. He noted that there is cash on hand to handle expenses from the general fund but reserves have been depleted and there are debt certificate payments coming due in December. Mayor Andrews stated that the last thing a Village wants to do is default on a payment on a debt certificate, payment to a vendor or funds not available for employee paychecks. Mayor Andrews discussed the various cost analysis sheets provided in the handout to the residents regarding various amounts needed to raise revenue (from \$100,000 to \$500,000) and how that increase would translate in terms of taxes to each homeowner on an annual basis if there was an increase in the total tax bill based on home value (these amounts are before any homeowner or senior exemption freezes).

Mayor Andrews stated that if a proper revenue stream could be achieved some of the much needed projects could be completed and the corporate fund could be balanced. He noted that \$500,000 in additional revenue may be needed. He noted that in December of 2011 the Village will pay off a street bond. He noted that in 1996 the voters approved a special road bond referendum that allowed the Village to obtain a bond certificate in 1997 to improve streets in the Village. That tax was specific and the voters authorized for an incremental amount of the their property tax to be used strictly for purposes of street improvements. Mayor Andrews noted that the street bond certificate will be paid off in December of 2011 and the payment is about \$100,000 per year. He noted that property taxes would go down by that specific amount on the tax bill for that purpose after the certificate is paid off. Mayor Andrews stated that homeowners have already been used to paying that dollar amount allocated on their tax bill and that \$100,000 would cover most of the \$125,000 budget shortfall but that would not help in 2013 and 2014 when the other higher bond payments come due.

Mayor Andrews stated that without additional revenues next year there will be more cuts to the budget. He noted that there is another option proposed besides an increase in property taxes which is the home rule option. Mayor Andrews stated that Indian Head Park is not a home rule community, home rule authority is provided by Section 6 of Article VII of the 1970 Illinois Constitution. He pointed out the nearby home rule communities and their populations: Bedford Park, (population 533), Countryside (5,795) Hodgkins (2,014), McCook (237) and other home rule communities: Rosemont (3,929), Stickney (5,774, Stone Park (4,860), Forest View (718), Lake Barrington (4,975), Naples (123) and Muddy (73). He noted that communities can be home rule if there are at least 25,000 residents or more or if the voters granted authority to their local municipality. Mayor Andrews states that there is court case in Iowa where a ruling was that governmental powers will be reviewed by the courts under “Dillion’s Rule” and any doubt of authority will be resolved in favor of denying the authority to the local government (that is not home rule). Mayor Andrews stated that the Village has dealt with this type of issue before. He noted that a trucking company operating at 70th Place moved its operation out of town and then decided to rent the building to another company for truck maintenance. That company also was renting spaces to other entities across the Chicago area for overnight semi truck parking within that district. Mayor Andrews stated the business location was not zoned for those uses and there was no business license issued for that type of operation. He noted that it would have been great if the Village could have charged a fee also for those trucks to park down there since they were using Village streets with their heavy trucks to access the property. However, the Village is not home rule so the Village had no authority to impose a fee. Mayor Andrews stated that the Village has vacant land in town where revenue could possibly be generated if the Village was home rule. He added that the benefits of home rule would allow the ability to timely tailor legislation to specifically address a local need, problem, or concern, there would be an increased ability to regulate activities in the areas of economic development, building, zoning, sanitation, nuisance, civil disturbance, public health, safety and welfare and the ability to enhance revenues through locally administered taxes rather than property taxes.

Mayor Andrews stated that he was in Springfield in March when legislation was approved in a day regarding a reform on the retirement program for teachers. He noted that on that day the subject was before the committee in the morning and by the time the reception was held in the evening the legislation was out of the committee, through the house, into the senate committee, through the senate and up to the Governor's Office for signatures all in one day. Mayor Andrews stated that this is an example of how revenue at the State level can be taken from the Village in a day. He noted that those funds cannot be replaced unless a question is placed on the ballot for voter approval. Mayor Andrews stated that elections are few and far between, a referendum question can only be placed on a ballot in a General Election, there is only one General Election in November of 2010 and next year in April is a municipal election. He noted if the Village misses the chance to place a question on the ballot in a General Election it is a long time before that opportunity comes up again. Mayor Andrews stated that even if voters approve a referendum question on the ballot it can be two years from the time it is approved and the tax shows up on tax bills. He noted the Village would start to collect that money when the tax bills are paid. However, the State can vote to take revenue from a Village in a day.

Mayor Andrews stated that he received word from Representative Durkin who stated 8 million dollars in grant funding is available under the Illinois Beautification Program. He noted that applicants that receive funding for possible road resurfacing projects would receive 80% funding for their projects and the Village would have to pay 20% of the project. Mayor Andrews stated that the Village presently has a \$125,000 budget deficit without adding any additional expenses and there is no money in the budget to fix streets in town. Mayor Andrews further stated that he spoke with Mayors from towns in the West Central Municipal Conference who have mentioned that grants can be given to communities at 80 cents on the dollar. Some towns have a mechanism to raise revenue from various sources as a home rule community to complete their projects. For a \$500,000 project, like Indian Head Park streets, given an 80/20 split, this would result in getting a half million dollar project for \$100,000, but the Village cannot do it because Indian Head Park is not home rule. He noted that the Village can try to get a loan for \$100,000 and make payments on that amount over five years with interest and try to raise revenue to cover the rest of a project. Mayor Andrews stated that some of the criticism is that people think home rule results in higher taxes but this is not true and according to a 2002 NIU study found that home rule communities can rely on less onerous sources of revenue paid in part by non-residents. He noted that home rule communities are exempt from tax caps and if the Board decided to raise the property taxes above the tax cap the Board would have to answer to residents a lot more quickly than the State legislature which decides what a Village can and cannot do.

Mayor Andrews stated that when the Village was incorporated in 1959 there were no cellular phones and computers, we are now in the age of technology and in this current economy the State can take away money that is needed to run a Village. At that time, non-home rule may have made sense, but not now. He noted that home rule authority gives local municipalities the flexible power to raise revenues but they cannot impose taxes on earnings, income and occupations.

A 1997 study published in the Journal of Public Economics reported that property tax rates levied by non-home rule communities prior to the adoption of tax caps rose 61% faster than rates levied in the home rule communities. He noted that Countryside, a home rule town, lost their car dealerships and decided to put a 3 cents per gallon tax on gasoline purchased in town to help recover lost revenue. Mayor Andrews stated that if the Village was home rule a tax could have been added for overnight parking of semi-trucks on vacant land in the business district. He noted those heavy trucks use 70th Place and deteriorate the roadway which is maintained by the Village and because the Village is not home rule the Board cannot do anything about it to help raise revenue to off-set maintenance of that street.

Mayor Andrews pointed out that a 2002 Illinois survey found that home rule communities are less dependent on property taxes for their revenues than are non-home rule communities. State wide averages show that cities and Villages derive about 25% to 30% of their revenues from property taxes while home rule communities derive 10% to 20% of their revenue from property taxes. Mayor Andrews further stated that his recommendation to the Board will be to place a referendum question on the November ballot regarding home rule authority for Indian Head Park and he asked residents to support home rule. He noted that Village Counsel will be consulted to prepare a resolution for the August Board meeting for Board approval to place a referendum question on the November ballot. Mayor Andrews stated that in the meantime more information will be made available to the residents before the November election. He noted that home rule authority would allow the Board to make decisions to try to increase revenue and rely on a variety of other sources to raise revenue. Mayor Andrews stated the other alternative is a property tax increase or to continue each year with not putting items in a budget and delaying much needed projects. He noted that the Village is getting by but in the year 2014 the debt certificate bond payments will increase and those obligations need to be met to repay that loan.

A resident in the audience asked why the Village previously did not establish home rule. Mayor Andrews stated that the Village Board has done everything else possible to try to raise revenues as a non-home rule community and decrease expenses and there is still a shortfall. He noted the severe downturn in the economy has impacted all municipalities in revenues they receive so the home rule option was explored. Mayor Andrews noted that a letter was received from Jane Kuhn as follows: *"I have come to this meeting this evening to express how important it is to present yourself in a positive and uplifting manner. That is the way our Village has always been represented. We have always been proud of our own homes as well as those of our neighbors. Now we come to the Heritage House Library. It definitely needs painting. We have had many volunteers offer to help but there is also the other factor are they licensed, insured and bonded. Well it is not like the old days when a neighbor would help a neighbor raze a barn. We do have our yearly book sale to keep the library seasonably comfortable. I have gotten some quotes and now the question is how can we raise the money to cover the costs. If you have any ideas, please call me, Jane Kuhn."*

The Heritage House library volunteers have served for the past six years and would appreciate your help very much if the Village Board would do everything possible to enhance and maintain the appearance of this old historic building”.

Mayor Andrews stated that a letter was also received from Jim Burke, of Acacia as follows in part: *“Regrettably, I will be away for the meeting this Thursday but I would like to make the following points: (1) I am vehemently opposed to spending \$30,000 on a new police vehicle; even if this is for replacement purposes. I believe we have too many police cars for a community of this size; (2) in light of the above why are we not in discussions with surrounding communities (Burr Ridge, Countryside, Hinsdale, LaGrange, Western Springs, Willow Springs) to consider a joint police force; the savings to taxpayers of each community would be enormous.”*

Trustee Bailey stated that the Board has explored every possibility to try to raise revenue. He noted that the Village reviewed entering into an agreement with Red Speed and the Village could not even enter into a contract for a term longer than one year because Indian Head Park is not home rule. Trustee Schnaufer stated part of the problem the Village has reduced revenue is because State shared revenue payments are slow coming back to the Village from the State. Dave Brink stated that the Village is still receiving State shared revenues from income taxes collected but the last payment from the State in July was for the month of February. Mayor Andrews mentioned that road salt two years ago went up by 500% (an increase from about \$30.00 per ton to \$150.00 per ton for road salt). The Village had no way to plan for that increase that came up in that particular year and it was a very cold snowy winter.

Mayor Andrews stated that residents will be given a chance to speak and comments are certainly welcomed. He stated the purpose of the meeting is not to attack others for differing views and asked residents to focus on their own comments.

Mrs. Shobris, who lives in Chestnut on the Green, asked why a budget was not provided to residents to compare line by line item revenues and expenditures. She also asked how much the cost was for the Heritage Library property and how many people are working at the library. Mayor Andrews stated the budget has been made available for public review since May in the Village Offices. He noted that the Heritage Center property was acquired entirely with land acquisition grant funds, there was no Village money spent to purchase the property, library volunteers do not receive compensation and books are donated by residents of the community. Mayor Andrews pointed out the Heritage Foundation rents a room in the building and pays rent to the Village for office space to help off-set the cost for electric and heat.

Fred Creed, of Westwood Court, asked if the Village could tax signs on private property to help raise revenue. Mayor Andrews stated that zoning regulations and the sign code does not allow advertising on a sign anything other than business that is located at the place where the sign is located. Fred Creed asked if the Village can collect revenues from cellular tower companies.

Mayor Andrews stated that the Village receives revenues from cellular tower companies that are located on the Village's Municipal site at 70th Place and a one time impact fee was paid when the towers were installed.

Jim Grady, of Sioux Trail, stated he checked several surrounding Villages and every one of those Villages posts their financial statements and budgets on-line on their Websites to make it easy for residents to review that information and nothing has been provided to residents to substantiate the financial needs other than the handout this evening. Mr. Grady stated the residents are not aware if everything has been done or if there are services that are out-sourced or consolidations that could be done. He noted that costs are going up and maybe there is a need for containment but no data has been provided. Mayor Andrews stated that posting information on the Website is only one form of presenting the information to the public and many of the residents in the community may not have computer access. He noted anyone who is interested can review the budget at any time and it is available at the Village Offices. Mayor Andrews stated that the messages in Smoke Signals have articulated many of the financial points made earlier this evening and a resident may want the information provided in another form other than Internet. Mayor Andrews stated it is a resounding endorsement why the Village needs new computers to be able to be working with current technology.

Trustee Bermier pointed out that there are many Board meetings when there are only one or two people sitting in the audience. She added that residents are always welcome to attend the meetings and she wished more residents would attend meetings to keep informed.

Al Walter, asked if the Board researched the possibility of video gambling as a source of revenues. Mayor Andrews stated that Board briefly discussed video gambling with counsel, if the Village does not opt out of it then video gambling is allowed in Indian Head Park as long as the other criteria is met and the Village could possibly obtain some revenues from those sources. He noted that there are very few places in town where video machines could be authorized and the Village has not been approached for a license and the State takes the lion share of the revenue. Mr. Walter stated that many residents shop at the Quarry shopping center and he asked if the Village receives any money from dollars spent. Mayor Andrews stated that a portion of the sales tax paid only at stores in Indian Head Park come to the Village.

Tim Kyzivat, of Stonehearth Lane, asked if the Village has plans to spend \$30,000 for a new police car because 100,000 is not much mileage since most vehicles today can exceed 200,000 miles. Mayor Andrews stated one police car is budgeted and that amount includes the price of the car and upgrades and equipment that is needed for a police vehicle. Mr. Kyzivat stated that police vehicles are built to last and possibly the cars could be maintained instead of replaced. He also asked if a maintenance free material could be installed on the Heritage house instead of painting to save on future maintenance costs. Mayor Andrews stated there is no money in the current budget for siding or painting at this time so the Board has not discussed that option.

Mr. Kyzivat asked if the Village were to become home rule are there limitations that could be placed on the Village under that authority to balance the budget or seek revenues to control costs. Mayor Andrews stated that either a Village is home rule or non-home rule. He noted counsel mentioned that a home rule community could have self imposed limitations established by the Board.

Mayor Andrews referred to an article that appeared in the 2003 Illinois Municipal Review published by the Illinois Municipal League. He quoted the following from that article: *“available evidence suggests that voters in Illinois home rule communities do not believe that home rule has led to undesirable rates of taxation. Voters in all home rule communities have the option to stop a home rule tax levy by voting home rule out and indeed in the last thirty (32) years home rule opponents have succeeded twenty-nine (29) times in placing the elimination of home rule on the ballot in a home rule community. Most of the resulting election campaigns were fought on the issue of whether taxes and especially property taxes were being misused. Voters approved the retention of home rule twenty-five (25) out of twenty-nine (29) times or 83%. In the aggregate they voted by a margin of more than 3 to 2 to retain their community home rule authority. Three of the four communities that did reject home rule powers the use of property tax power was the major issue before the voters. In Lombard and in Villa Park voters were promised by home rule opponents that getting rid of home rule would lower their property taxes. The voters in those communities voted home rule out but their property taxes did not go down because home rule powers have not been used to increase property taxes above what the limitations were before those communities became home rule. In Rockford, the voters decided to abandon home rule and the property taxes did go down and so did the municipal services. As a result the voters in the months following the abolition of home rule voted in five of seven referendum to increase their property taxes. Mayor Andrews noted that Rockford was the last community in Illinois in 1983 that had home rule and voted it out.*

Trustee Walsh stated that all comments from the audience are good points about checks and balances, residents need to be aware that the Board meets once a month, all matters before the Board are discussed and voted upon and there are sometimes public hearings on matters. He noted that the Board spends most of its time trying to find ways to increase revenues and save money, much time is volunteered by Board members to study issues and participation from residents is encouraged. Trustee Walsh pointed out that any item that comes before the Board would be placed on an agenda and it would need to be voted upon by the Board so residents would have an opportunity to ask questions and provide an opinion. Mr. Kyzivat stated that he in no way is being critical of the Board and is just asking if there are limitations that can be placed on a community asking for home rule authority. He noted that many of the municipal elections are uncontested but sometime a group may decide they want to run for the Board and they may have different opinions in making decisions that might impact the community. Mayor Andrews stated that either a Village is home rule or not home rule and there is no option in between.

A resident of Indian Ridge asked if money could be set aside for specific purposes to help pay for various projects. Mayor Andrews stated that Motor Fuel Tax Fund allocations received help to pay for some of the road maintenance and money collected for water and sewer helps to pay for maintenance of the system such as water main breaks which can cost \$8,000 to \$12,000 to fix.

Bill King, of Briarwood Court, asked if the Village is looking at maybe an economy size vehicle for Public Works. Trustee Coleman stated that a certain size vehicle is needed for plow equipment and also for the leaf program to get the job done and that many of the vehicles have been through maintenance repairs over the years. Trustee Coleman stated that most police departments have at least one SUV vehicle and none of the Indian Head Park vehicles are top of the line. Frank O'Connor, of Cascade Drive, stated that he agrees with the home rule option. However, on a long term basis it is not a solution to the problems. Mr. O'Connor pointed out that real estate values have gone down, there may be a long extended recovery from the recession, revenues may not be going up for quite some time and if the State raises the income tax residents will be paying more, if the real estate taxes are increased more will be paid. He noted that a solution needs to be determined how the Village will sustain itself in the future and to be able to provide all the services that the residents are asking for from a community. Mr. O'Connor asked if the Board considered annexing to another Village that has more commercial property and revenues. Mayor Andrews stated that before this evening he never heard the mention of wanting to annex to another town and perhaps the Village could partner with another Village but to keep its own identity. He noted there are only a few public works/water department employees and the Village also has used outside consultants for many years on an as-needed basis for building permit plan reviews and inspections to save on costs.

Jim Durkin, from Ashbrook, thanked the Village Board for volunteering to serve the community. He stated that it would be helpful to residents to hear the Board state that it has looked at all other options such as consolidating and maybe the best solution to solve budget problems is to ask for home rule. Mayor Andrews stated that the purpose of the meeting this evening was to focus on the budget shortfall, village-wide needs and revenue enhancements, to discuss concerns and possibly find a solution. Mayor Andrews stated that as Mayor of Indian Head Park it is his job to make sure that the Village continues to exist. He added the purpose of the meeting is to explain to the community how the Board has attempted to address budget issues and examples were provided on how the Village had opportunities to obtain revenue for the Village only to find out from counsel that the Village has no authority because Indian Head Park is not home rule.

Mayor Andrews stated that the entire community is all in this together and the Board will consider and vote to place a referendum question on the ballot at the August meeting for the November election regarding home rule because that is the best option for the Village. He noted that maybe there are better alternatives out there, the Board can analyze it, streets will still not get paved, leaves will not be picked up, the Heritage Center does not get painted and the Village would miss an important deadline to get the question on the ballot this year.

Mayor Andrews stated by the time something passes next year, it is two years before there is a benefit and in the meantime the Village will be constrained because there will be no revenues to support community services.

Kathleen Creighton, of Elmwood Court, stated two years she brought to the Village's attention curb areas in front of her home that have completely broken down with big potholes. She asked if the Village could patch the area to at least fix the problem.

Tony Przeklasa, of Indian Woods Drive, stated that the Board has made some really good strong points about going to home rule which would give the Village more flexibility and authority to do many things to benefit the entire community. Mr. Przeklasa asked if the Village were to become home rule would it be exempt from the tax caps and if the Village would be exempt the tax rate would be 54.9 cents per 100 of assessed valuation and the legal limit to extend to that limit would be one of those options. Dave Brink stated that the current tax cap for Indian Head Park is .549. Mr. Przeklasa stated that if the Village were to become home rule it could go to the legal higher rate to have flexibility to get income the Village needs.

Cary Czarnecki, of Indian Wood Lane, asked if the leaf program is discontinued what would take its place. Mayor Andrews stated if the Village were home rule it could look into ways to manage a leaf program and refuse disposal through sanitation or scavenger services on a Village-wide basis rather than residents being their own individual contractor to make arrangements with the refuse companies. He noted if the Village is involved maybe there could be competitive refuse services on a Village-wide basis including yard waste pick-up. Mr. Czarnecki asked if the equipment used for the leaf program is owned by the Village. Mayor Andrews stated that the leaf vacuum is owned by the Village, the equipment is old and it has been repaired several times over the years due to breakdowns from large branches, logs and other materials mixed in with leaves that are that are left at the curb for pick-up. He noted one year the repairs to the leaf vacuum were \$4,000 to fix the machine. Mayor Andrews stated he spoke with mayors of other communities, one of which is a home rule community that is nervous when there is less than a million dollar surplus of funds in their budget. That town is much larger with a big commercial base and they have gotten away from village-wide leaf pick-up but the scavenger service will pick up leaves that are bagged on a specific refuse day in that town without compost tags. Mr. Czarnecki stated that he spent most of his professional career as a librarian and commented that the appearance of the Heritage Center is bad. He stated that the Heritage Center is a way of maintaining the history of the Village and books are donated but there is an economical way to join one of the neighboring libraries at the non-resident fee. Mr. Czarnecki stated that possibly any historical Village artifacts could be brought to the Municipal Building for display and possibly the land and building could be sold when the economy improves and something else could be built in its place to generate real estate taxes to the Village.

Sharon Allison, of Keokuk Road, stated the leaf program is a very serious issue for residents that live in the old town section of the Village with many mature trees. She stated it is an overwhelming task to clean up the leaves in the fall and encouraged a solution to maintaining some sort of leaf program to help residents. Trustee Bailey stated that the choices the Board makes affect the Board too but there are no funds available to provide the program this year and it is not budgeted. Mayor Andrews stated that we are in a position to vote to make the difference on what is done in the Village and the purpose of this meeting is to receive input. He added we all need to balance the equity of whether to provide a leaf program, repair curbs in Acacia, paint the Heritage Center, fix other streets in the Village, hire an extra full-time police officer, buy a police car or public works vehicle. Mayor Andrews stated at the end of the day the Board cannot please everyone but the Board tries to balance the needs of everyone.

Sandy Adams, of Blackhawk Trail, suggested perhaps a list could be composed listing all of the ideas presented this evening and mull it over. The idea of banter back and forth and trying to defend every comment makes no sense in a public forum. She added that purpose of a public forum is to ask for public input without the need to respond to it. Mayor Andrews stated that he asked people early in the meeting to respect the fact that one opinion may differ with an opinion voiced by another person and encouraged residents to make their comments in a positive manner. John Adams, of Blackhawk Trail, stated he is an area builder and has a revenue problem too. He added that the tough economic times have impacted his business to the point that he and his partner have cut their compensation by one third in response to the economic climate that may not get better anytime soon and it may take years to recover. Mr. Adams stated that if the Village does not have an emergency plan for at least 2 million dollars it should get one because the economic situation could last for years. He stated that the Board should think ahead for a broad plan to manage future issues with the economy.

Mayor Andrews stated that he plans to provide a recommendation for home rule authority so the Village can have the flexibility to lay out a 2 million dollar emergency plan as Mr. Adams suggested. He asked for the support of residents because without those tools the Village cannot build that plan. Vern Kramer, of Ashbrook, stated that possibly there could be a cost reduction in snow and ice removal. He further stated that trucks are continuously plowing and salting the roads when it does not need to be done that often. He also mentioned that the streets need to be repaved in Ashbrook. Mrs. French, of Pontiac Drive, stated she has lived in Indian Head Park for 53 years, the spirit in Indian Head Park has always been strong and her husband served on the Board many years ago. Mrs. French stated she appreciates the Board's efforts, the comments are of the essence of government in that the community has exactly what it asked for in a Village and the spirit to volunteer is one that is forgotten. She stated she can remember when a neighbor saw a problem like a curb that needed attention or a creek in trouble or water in a particular area the neighbors got together to take care of it and that concept to help could be renewed. Mrs. French stated that instead of sitting back and complaining and expecting services residents could attend meetings, the Board is doing everything they can and there is sometimes no response from the community.

Mrs. French stated everyone now has landscape services and she recalled when kids in the neighborhood used to volunteer to cut grass and if something needs to be done just do it. Mrs. French stated that someone mentioned Ashbrook streets need to be repaved that are only 15 years old. She added that she is still driving the same road on Pontiac Drive that was put in 53 years ago and it has never been widened or paved.

Jim Grady, of Sioux Trail, stated that he did some research and found that real estate caps can be rolled into a proposal for home rule and he hopes the Board considers that option. Mayor Andrews stated that he would review that matter with counsel.

A resident inquired if there has been a study regarding the revenue that could be generated from the country club if the Village expands itself and there are costs involved. Mayor Andrews stated there have been some discussions with the country club on that matter and there is nothing to report at this time on that issue.

Tim Kzviat, of Stonehearth Lane, stated that the Village is land locked, there is no room to expand and there is a price to be paid by residents to live in a nice community without a lot of commercial development, cul-de-sacs, wooded areas and quiet surroundings. He added that if the Village wants to have its own police force, be able to maintain its parks and provide services then a little more will have to come out of the pockets of residents to maintain the way of life in the community. Mayor Andrews stated that a 2002 Illinois survey found that home rule communities are less dependent on property taxes for their revenues than non-home rule communities. He noted on average State-wide all cities and villages derive about 25% to 30% of their revenues from property taxes and home rule communities derive 10% to 20% of their revenue from property taxes.

Mayor Andrews stated that he served on the Zoning Board of Appeals many years ago before Maplecrest Golf Course became Flagg Creek Golf Course and there was before the Village of Indian Head Park about consideration of putting in a shopping mall in that location. There was a lot of opposition from people around the area to that plan and that developer moved on and development ended up as the Quarry Shopping Center in Hodgkins. Mayor Andrews stated that the development could have generated a lot of revenue for Indian Head Park. Mayor Andrews pointed out that communities that are well maintained and have services to offer to residents generally have higher property values.

A resident stated that the Village should plan ahead for future revenue shortfalls because the State can decide to reduce the portion Indian Head Park received and that could cause a further strain on the budget with decreased revenues. Mayor Andrews stated that if the State cuts the shared revenue portion to Indian Head Park, the November referendum fails and Indian Head Park is not home rule there is only one way that would make a significant difference to increase revenue and that is a property tax increase. He added that the State can react fast and because Indian Head Park is not home rule it is limited on how to address budget shortfalls.

Mayor Andrews stated that he reviewed a few property tax bills and if residents take a closer look, the amount paid only to the Fire Protection District is close to the amount that is paid to the Village for everything else the Village must provide.

A resident of Briarwood asked how the Village would raise revenue if the Village were to become home rule. Mayor Andrews stated that the Board collectively would determine ways to increase revenues from a variety of sources. He added that possibly the Board would be able to enter into contracts for income that generally the Village would not be able to do as a non-home rule community.

Mayor Andrews stated that there are elections that are held which the voters decide who will serve as elected officials of the Village. He added that if residents believe that the Board is not responsive to their wants and needs voters can decide that at the ballot box. However, he added that there are not many residents who attend the Board meetings and that may be a sign the Board is doing their job in making decisions.

Mayor Andrews stated that Indian Head Park is a non-home rule community, there is no big commercial base and there is no substantial sales tax base to rely on coming into the Village. He pointed out for comparison purposes there may be two communities separated by a street with both sides of the street identical by every respect in terms of housing and demographics. However, one side of the street the roads are in good shape, the leaves are picked up, the roads are plowed and salted, that community has a library and various other municipal services to provide. He added at first glance the community on the other side of the street may look identical except the streets are not in good shape, there is no library, there is no police department or other municipal services. Mayor Andrews stated that the community that looks better has higher property taxes but the property values are higher too because that community is well maintained and provides community services.

ADJOURNMENT

Several residents expressed their thanks for the Board's effort this evening to enlighten them about Village finances and the home rule option. There being no further business to discuss, Trustee Anselmo moved, seconded by Trustee Bermier, to adjourn the Town Hall meeting at 10:20 p.m. Carried by unanimous voice vote (6/0/0).

Respectfully Submitted,
Kathy Leach, Deputy Clerk/Recording Secretary